

## NEWS RELEASE

**For Immediate Release:**  
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### **Commission, DCCC agree to \$80,000 civil settlement**

*Failed to file reports disclosing \$3.1 million in expenditures, contributions*

The Fair Political Practices Commission has reached an \$80,000 civil settlement with the Democratic Congressional Campaign Committee, and its former treasurer, Janica Kyriacopoulos, regarding campaign disclosure violations by the DCCC in connection with the November 7, 2000, general election.

Specifically, the suit alleges, the DCCC failed to file a semi-annual campaign report disclosing \$3,123,740 in contributions and expenditures, and failed to file a late contribution report disclosing a \$10,000 late contribution. In addition, it failed to file either of the reports electronically.

A civil lawsuit was filed by the FPPC in Sacramento Superior Court on April 22, 2003. The final judgment, based on a stipulation signed by the FPPC, Kyriacopoulos, and current DCCC treasurer Ann Marie Habershaw, was approved Tuesday (April 22) by Superior Court Judge Loren McMaster. Copies of the complaint, stipulation and judgment are available on the FPPC Web site at [www.fppc.ca.gov](http://www.fppc.ca.gov) (go to *Press Center* on the home page and click on the link in this release).

According to the complaint, during the second semi-annual reporting period of 2000, the DCCC received approximately 1,647 contributions totaling \$3,123,740, and used that money to make approximately 27 contributions to various Democratic candidates and committees throughout California. As a recipient committee, the DCCC was required to file a semi-annual campaign statement by January 31, 2001, reporting its campaign activity during the second half of 2000, but it failed to do so.

The DCCC also made a \$10,000 late contribution prior to the November 7, 2000, general election to the Assembly Democratic Leadership 2000 Committee, a controlled committee of then-Assembly Speaker Robert Hertzberg. Since this late contribution was made within the last 16 days prior to the general election, it was a "late contribution" that was required to be disclosed by the DCCC within 24 hours, which the DCCC failed to do.

Finally, the DCCC failed to file campaign statements electronically with the Secretary of State, as required by the Political Reform Act (PRA), in addition to filing the required statements in a paper format.

The FPPC discovered the violations while implementing a proactive enforcement program

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designed to ensure compliance with the late-contribution reporting requirements of the Political Reform Act. The Assembly Democratic Leadership 2000 Committee disclosed the receipt of the DCCC contribution as required by the PRA.

The DCCC case was handled as a civil lawsuit, rather than as an administrative action, and the terms of the settlement were brought before the members of the commission for approval during an earlier closed-session discussion of pending litigation. Because of the large number and amount of unreported contributions, the case was handled as a civil action to allow for the possibility of a higher fine.

An administrative action is the FPPC's more common method of prosecution in enforcement matters. For the 2000 election, the maximum possible administrative penalty was \$2,000 per violation (since raised to \$5,000 with passage of Proposition 34).

Commission Counsel Jennie Eddy and Investigator III Jon Wroten handled the case for the FPPC.

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